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DEPARTMENT OF COMMERCE

International Trade Administration

[A-583-863]

Forged Steel Fittings from Taiwan: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of forged steel fittings from Taiwan are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is October 1, 2016, through September 30, 2017. The final margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Robert Palmer (202) 482-9068 or Suzanne Lam at (202) 482-0783, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On May 17, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* of sales at LTFV of forged steel fittings from Taiwan and invited interested

parties to comment.¹ The only comment received was from Bonney Forge Corporation and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) (collectively, the petitioners) agreeing with our affirmative preliminary determination to apply total adverse facts available (AFA) to the non-responsive companies.² Accordingly, we made no changes to the *Preliminary Determination*.

Scope of the Investigation

The products covered by this investigation are forged steel fittings from Taiwan. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” at the Appendix to this notice.

Scope Comments

During the course of this investigation and the concurrent investigations of forged steel fittings from the People’s Republic of China (China) and Italy, Commerce received numerous scope comments from interested parties. Commerce issued a Preliminary Scope Decision Memorandum³ and a Second Preliminary Scope Decision Memorandum⁴ to address these comments. In the Second Preliminary Scope Decision Memorandum, Commerce preliminarily found that outlets are fittings and are included in the scope of the investigations and that butt weld outlets are butt weld fittings and are excluded from the scope of the investigations.

Following the *Preliminary Determination*, Commerce received scope case and rebuttal briefs from the petitioners and M.E.G.A S.p.A. (MEGA) concerning outlets and butt weld outlets as

¹ *See Forged Steel Fittings from Taiwan: Affirmative Preliminary Determination of Sales at Less Than Fair Value*, 83 FR 22957 (May 17, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

² *See* letter from the petitioners re: Petitioners’ Case Brief, dated June 15, 2018.

³ *See* Memorandum to the File, “Scope Comments Decision Memorandum for the Preliminary Determinations,” dated March 7, 2018 (Preliminary Scope Decision Memorandum).

⁴ *See* Memorandum to the File, “Second Preliminary Scope Decision Memorandum,” dated May 7, 2018 (Second Preliminary Scope Decision Memorandum).

specified in the scope.⁵ Based on these parties' comments and our analysis of them, we made no changes to the scope of the investigations, as it appeared in the *Preliminary Determination*.

Further, we continued to find that outlets are fittings and are therefore covered by the scope of this investigation and the concurrent investigation of forged steel fittings from China and Italy, while butt weld outlets are butt weld fittings and are excluded from the scope of the investigation. For a summary of the product coverage comments and rebuttals submitted to the records of this investigation and the concurrent investigations of forged steel fittings from China and Italy, and our accompanying discussion and analysis of them, see the Final Scope Decision Memorandum.⁶

Verification

As stated in the *Preliminary Determination*, Kopex Industrial Co. (Kopex), a mandatory respondent in this investigation, claimed that it did not produce or export forged steel fittings from Taiwan during the POI.⁷ As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), on May 30, 2018, we conducted verification of Kopex's claim using standard verification procedures, including an examination of relevant accounting records and original source documents provided by Kopex. As a result of the verification, we confirmed that Kopex did not produce or sell forged steel fittings from Taiwan during the POI.⁸ Because the other mandatory respondents, Both Well Steel Fittings Co., Ltd. (Bothwell) and Luchu Shin Yee

⁵ See letter from MEGA re: Brief of MEGA in Response to Scope Issues Raised by the Preliminary Determination Regarding the Expansion of the Scope of the Investigations to Include Outlets, dated May 29, 2018; letter from the petitioners re: Case Brief on Scope, dated May 29, 2018; letter from MEGA re: Rebuttal Brief of MEGA in Response to Scope Issues Raised by the Preliminary Determination Regarding the Expansion of the Scope of the Investigations to Include Outlets, dated June 4, 2018; and letter from the petitioners re: Scope Rebuttal Brief, dated June 4, 2018.

⁶ See Memorandum to the File, "Forged Steel Fittings from China, Italy and Taiwan: Final Scope Determination Decision Memorandum," dated concurrently with this notice (Final Scope Decision Memorandum).

⁷ See Preliminary Determination Memorandum at 3-4.

⁸ See Memorandum to the File, "Verification of Kopex Industrial Co., Ltd.," dated June 8, 2018.

Works Co., Ltd. (Luchu), failed to participate in the investigation, there was no information to verify with respect to either company.⁹

Use of Adverse Facts Available

The mandatory respondents Bothwell and Luchu failed to participate in this investigation.¹⁰ Therefore, in the *Preliminary Determination*, pursuant to sections 776(a)(1), 776(a)(2)(A)-(C), and 776(b) of the Act, we assigned Bothwell and Luchu a dumping rate based on AFA. No parties filed comments in opposition to our *Preliminary Determination* with respect to Bothwell and Luchu and there is no new information on the record that would cause us to revisit our preliminary AFA determination. Accordingly, we continue to find that the application of AFA pursuant to section 776(a) and (b) of the Act is warranted with respect to Bothwell and Luchu. In applying total AFA, we assigned to Bothwell's and Luchu's exports of the subject merchandise a rate of 116.17 percent, which is the only rate calculated in the Petition Amendment¹¹ and which has been corroborated to the extent practicable within the meaning of section 776(c) of the Act.¹²

All-Others Rate

As discussed in the *Preliminary Determination*, Commerce based the "All-Others" rate on the, as noted above, only dumping margin alleged in the Petition Amendment,¹³ in accordance with section 735(c)(5)(B) of the Act. We made no changes to the selection of this rate for this final determination.

⁹ See *Preliminary Determination*, 83 FR at 22958.

¹⁰ See *Preliminary Determination Memorandum* at 4-8.

¹¹ See *Petitions for the Imposition of Antidumping and Countervailing Duties: Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan, Volume V*, dated October 5, 2017 (the Petition); see also letter from the petitioners' re: Response to Supplemental Questionnaire, dated October 11, 2017 at 1-2 (Petition Amendment).

¹² See *Preliminary Determination Memorandum* at 6-8.

¹³ See Petition and Petition Amendment; see also *Preliminary Determination Memorandum* at 8-9.

Final Determination

The final estimated weighted-average dumping margins are as follows:

| Exporter or Producer | Estimated Weighted-Average Dumping Margin (percent) |
|------------------------------------|--|
| Both Well Steel Fittings Co., Ltd. | 116.17 percent |
| Luchu Shin Yee Works Co., Ltd. | 116.17 percent |
| All-Others | 116.17 percent |

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of forged steel fittings from Taiwan, as described in the Appendix to this notice, which are entered, or withdrawn from warehouse, for consumption on or after May 17, 2018, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

Disclosure

The estimated weighted-average dumping margins assigned to the mandatory respondents in this investigation in the *Preliminary Determination* were based on AFA. As these margins are based on the rate calculated in the Petition Amendment, and because we made no changes to these margins since the *Preliminary Determination*, no disclosure of calculations is necessary for this final determination.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of forged steel fittings, no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all cash deposits posted will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or

destruction of APO materials, or conversion to judicial protective order, is hereby requested.

Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: July 23, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix

Scope of the Investigation

The merchandise covered by this investigation is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions, and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld or other end connections.

While these fittings are generally manufactured to specifications ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182, the scope is not limited to fittings made to these specifications.

The term forged is an industry term used to describe a class of products included in applicable standards, and does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casting. Pursuant to the applicable specifications, subject fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure rating (usually, but not necessarily expressed in pounds of pressure/PSI, *e.g.*, 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated.

Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, butt weld fittings, butt weld outlets, nipples, and all fittings that have a maximum pressure rating of 300 pounds of pressure/PSI or less.

Also excluded are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182:

- American Petroleum Institute (API) API 5CT, API 5L, or API 11B
- Society of Automotive Engineering (SAE) SAE J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411
- Underwriter's Laboratories (UL) certified electrical conduit fittings
- ASTM A153, A536, A576, or A865
- Casing Conductor Connectors 16-42 inches in diameter made to proprietary specifications
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541

- International Organization for Standardization (ISO) ISO6150-B

To be excluded from the scope, products must have the appropriate standard or pressure markings and/or accompanied by documentation showing product compliance to the applicable standard or pressure, *e.g.*, “API 5CT” mark and/or a mill certification report.

Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They also may be entered under HTSUS 7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.